THE Marketing and Transportation SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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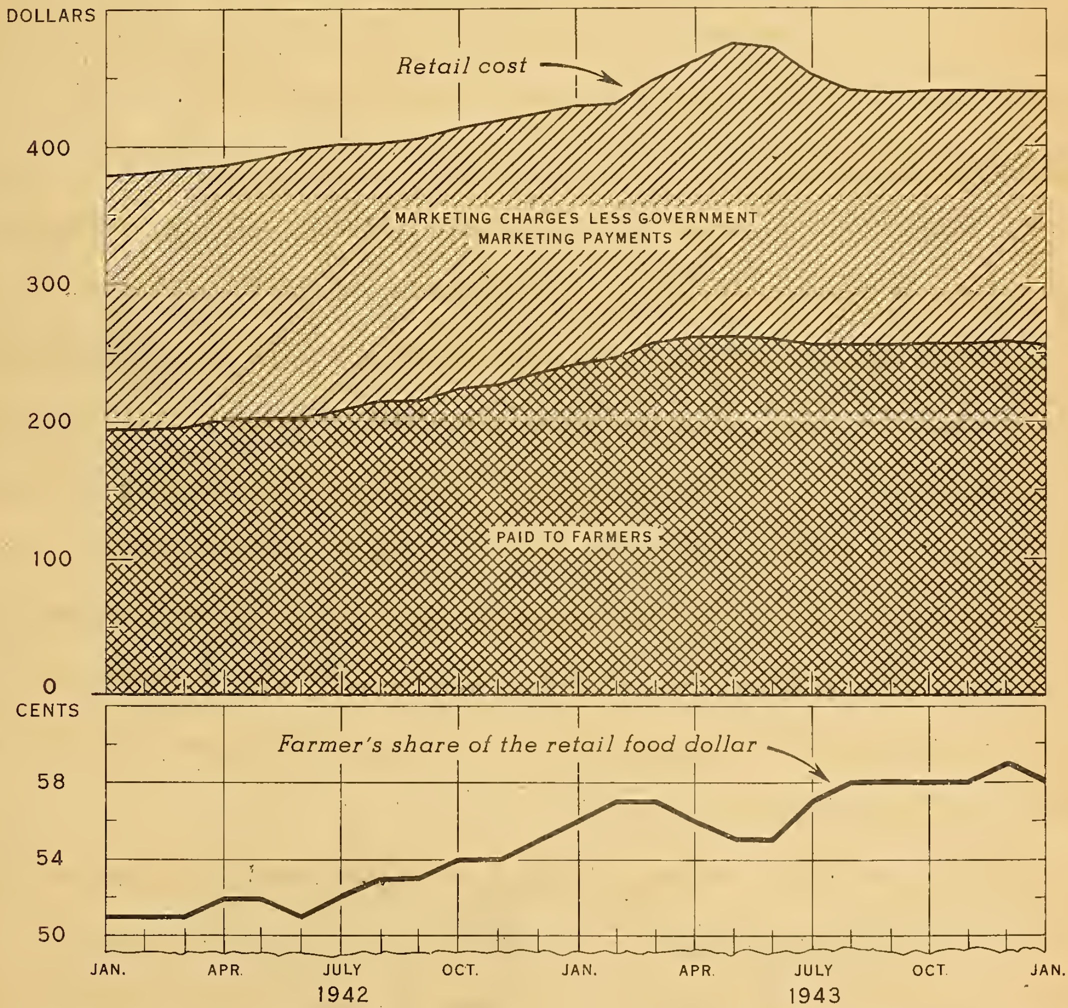
FARM FOOD PRODUCTS: RETAIL COST AND PAYMENTS TO FARMERS FOR ANNUAL FAMILY PURCHASES OF 58 FOODS, UNITED STATES, 1942-44



U. S. DEPARTMENT OF AGRICULTURE NEG. 43518 BUREAU OF AGRICULTURAL ECONOMICS

The farmer's share of the retail food dollar reached a 25-year record high of 59 cents in December, and dropped to 58 cents in January 1944. Roughly half the reduction in the marketing margin occurring after May 1943 was attributable to Government payments to marketing agencies, while prices paid to farmers for food products showed little change.

MARKETING AND TRANSPORTATION SITUATION

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SUMMARY

Marketing charges:

Charges for marketing farm food products, including Government payments to marketing agencies, rose 2 percent from December 1943 to January 1944 and are now 6 percent above the 1935-39 level. The farmer's share of the retail food dollar dropped from the recent record high of 59 cents in December to 58 cents in January. Retail cost, payment to farmers, and the marketing margin for the family food basket have shown only minor changes since August 1943.

Railroad transportation:

The railroads continue to face a tight situation in the transportation of farm products and other commodities. Transportation difficulties persist in spite of the fact that the outlook for materials and new equipment is favorable as compared with 1942 and 1943. The railroads are likely to get all of the steel rails so far requested by the Office of Defense Transportation. Orders placed or in prospect will utilize plant capacity for building 61,000 new freight cars of which about one-half will be box cars and three-fourths of the remainder gondola and hopper cars. This will be more than double the output of freight cars in 1943. A somewhat larger number of locomotives will also be produced this year as compared with last year.

With the problems of procurement of materials and equipment largely out of the way the difficulties remaining for the railroads center largely in the question of manpower. Estimates of increased traffic for 1944 ranged from 2 to 7 percent with the expectation that most of the increase will occur during the first 6 months, compared with the same period last year. Ordinarily more traffic requires the employment of more men. This is particularly true today because of the relatively full use of the existing labor force. The railroads

have for sometime been unable to fill all of the vacant positions that they were actively endeavoring to fill. A Nation-wide drive to get more rail workers has been planned jointly by Government, labor and management representatives, and is expected to get under way by the middle of March.

In the meantime rail management, organized labor, and shippers have been urged to modify or discontinue practices which have the effect of wasting man-power. Along these lines substantial progress has been made but much remains to be accomplished.

February 29, 1944.

THE RAILROAD QUESTION: EQUIPMENT SHORTAGE OR LABOR SHORTAGE?

The railroads operated practically at their capacity during the peak traffic movement in the autumn of 1943. The situation was tight in many areas and it was necessary to apply embargoes on certain shipments. This winter has been exceptionally mild but the transportation situation has not improved materially since October, although the volume of freight traffic has declined about 16 percent from the peak. Box-car shortages have actually increased since last fall, the most important being reported for grain box cars. Apparently the mild winter has prevented a much more serious situation from developing.

The outlook for materials to maintain or improve rail plant and to add equipment is more favorable than it has been at any time since 1941. For a time, the question of maintenance of fixed railroad facilities - principally rails and ties - excited considerable apprehension. Track maintenance, limited by labor shortages, lack of cross ties, and curtailed allotments of steel for the past two years, will need to be increased in 1944, if cross ties and labor can be obtained. It is reported that about 1,600,000 tons of steel rail were laid last year; this was 200,000 tons less than the quantity finally requested by the Office of Defense Transportation. The War Production Board has agreed to a minimum of 1,965,000 tons of steel for rail maintenance in 1944, and it is probable that 200,000 tons more will be available if needed. If this entire tonnage of rail is delivered the O.D.T. will receive practically all of the 2,200,000 tons requested for that purpose in 1944.

It is not possible to indicate definitely whether the supply of materials for maintenance will be enough to meet the needs for 1944. The railroads undoubtedly had some reserve upon which they could draw at the time we entered the war in 1941. How much of that reserve has been used up in the period since 1941 is an open question. But we can say that so far as metals are a factor this year, the railroads can be better maintained than in either 1942 or 1943.

The Class I railroads placed in service 773 new locomotives in 1943, and they will probably get about 1000 more in 1944. The steel and other materials to build that number are definitely in sight and plant capacity, assuming an adequate labor force, is more than adequate to do the job. While there will not be a large margin of safety in motive power in 1944, it ought to be greater than it was last year.

The outlook for new freight cars is also better in 1944 than in 1943. Last year only 28,708 new freight cars were acquired by the carriers. This was substantially less than the number that would normally have been purchased considering the volume of traffic carried. However, many old cars that would ordinarily have been retired were kept in service either by added maintenance or by rebuilding. It is now estimated that upwards of 61,000 new cars can be built this year. The steel and plant capacity for that purpose will be sufficient. It is understood that orders have been placed or are in prospect for approximately all of the expected production of 61,000 cars. Of this total, about one-half will be box cars and three-fourths of the remainder will be of the hopper and gondola type.

The prospects are that the total volume of freight traffic, expressed in ton miles, will increase in 1944 as compared with 1943. The estimates of increase range from 2 to 7 percent for the entire year. It is expected that most of the increase will occur during the first 6 months, compared with the same period last year. Ordinarily the size of the labor force varies directly although not necessarily proportionally with the amount of traffic. Under present conditions, the relation of employment to traffic must be closer than it would be under more normal conditions. It would seem, therefore, that more rail employees will be necessary this year than last year, especially during the first 6 months.

While it appears that the need for more men exists, it is difficult to say exactly how many additional men will be required or whether they can be obtained. The railroads have recently claimed that they are approximately 99,000 men short of their requirements. According to the reports of the Railroad Retirement Board, placements are running from 60,000 to 70,000 a month, but these are largely offset by transfers to other industries and by losses to the armed forces. Some additional placements are being made by other means. It appears that substantial manpower shortages do exist in the sense that the railroads cannot fill all the vacant positions that they are actively endeavoring to fill. The seriousness of the manpower situation on the railroads is indicated by the fact that a Nation-wide drive to recruit railroad workers is now being planned and will get under way by the middle of March. The drive is being jointly sponsored by the Government agencies concerned with railroad manpower and representatives of railroad labor and management.

The rail manpower shortage varies in intensity from area to area and occupation to occupation. It appears to be most serious in the Western District and in the region of the Great Lakes. It is also serious at other points, such as the Atlantic Coast ports. Common laborers are needed for maintenance of way work, and the demand will increase seasonally and substantially as the weather moderates in the spring months. Skilled shop and round-house labor is very scarce in relation to reported needs. Marked shortages of firemen and brakemen have also been reported.

The manpower problem before us becomes one of retaining, conserving, recruiting, and training an adequate labor force. The older railroad men with long service records and seniority will tend to keep their jobs, because everything considered they regard rail employment to be more attractive than alternative occupations. The younger men with less seniority and poorer prospects will be more inclined than the older men to take jobs elsewhere on the basis of wage incentives. Some of the younger men will, of course, be drawn into the armed forces. Many younger men, however, will remain in their rail jobs for various reasons, and others may be persuaded to remain by offering inducements such as up-grading of jobs, and more attractive working conditions.

What has been said about retaining as much of the existing personnel as possible applies as well to the recruiting of new workers. They will have to be convinced that, everything considered, they will better themselves by taking rail jobs. One obstacle in the way of inducing prospective employees to accept rail employment, however, is the seniority system which protects the jobs of the older men in the event of a decline of employment opportunities. The new men will be the first to be furloughed or dropped from the rolls if their services are no longer needed, regardless of their efficiency as workers.

The efficiency of the railroad workers as a group has undoubtedly been reduced by the loss of trained men and the substitution for them of new and often untrained personnel. This emphasizes the importance of managing as efficiently as possible the labor force whose average efficiency has declined for the reason stated. Ordinarily the railroads are not under such pressure to avoid wastages of manpower as they are today. In fact, the effort on their part to satisfy their patrons and employees has caused them to concede many privileges in the past which have resulted in the waste of manpower over and above what has been due in some measure to imperfect management. As to matters wholly within their discretion, the railroads have been called upon since the war began to improve the quality of their management. Consequently, some of the practices attributable wholly to managerial discretion which were wasteful of manpower have been modified or abandoned either by voluntary action or by Government direction.

The question of privileges accorded the patrons and employees of the railroads involves much more than a matter of managerial discretion. The privileges have come into existence partly through agreements between the interest affected and partly through legislation, this latter illustrated by the full-crew and train-limit laws. The agreements reached by the various interests have found expression in freight tariffs in the case of shippers and contracts and rules in the case of employees. The railroads are bound by these agreements. It follows that in order to eliminate any waste of manpower resulting from the existence of these obligations, the railroads must have the consent of the shippers and the employees for whose benefits the waste has been tolerated, unless the Government intervenes. Experience gained in this war demonstrates that the consent of a majority of the interests involved is not always sufficient to eliminate abuses, particularly where a certain number has insisted on retaining their privileges. To give an example, the Interstate Commerce Commission has been compelled to exercise its authority to impose penalties for the undue detention of refrigerator cars. This shows that, even with the cooperation of large numbers of their patrons and employees, the railroads have not been able to eliminate some important abuses without Government intervention. Appeals have been made, including those by Government agencies, to shippers and organized labor in the hope that those groups would refrain from the exercise of some privileges granted to them by the provisions of freight tariffs or working agreements so far as the privileges involve waste of manpower.

The efforts to secure such cooperation among the interested groups have yielded important results. The shippers, for instance, have organized committees throughout the country which have been active in supervising the better loading and unloading of freight cars with a view of preventing delay in use of the cars. Also, to some extent, shippers have been deprived of the privilege of routing traffic as they see fit.

Rail labor, likewise, has made concessions in respect to their working rules, some of which have had the effect of underutilizing manpower. An outstanding example of such cooperation is the general relaxation of the monthly mileage limitations applicable to the crews in the train and engine service. The average number of hours worked by employees in the train and engine service has been high, standing at 48.3 hours in November 1943.

However, there is evidence that much remains to be accomplished. The railroads, for instance, have yet to make effective their reported plans for short-routing empty cars returning to their owners. Until this is done, manpower will be wasted in such unproductive service. The failure on the part of shippers to clean cars after unloading and to properly mark packages shipped in less-than-carload lots still results in much waste of rail manpower. And organized labor, for its part, still has to decide what further contributions to increased efficiency it can make through the modification of working rules which waste manpower.

CURRENT DEVELOPMENTS IN MARKETING AND TRANSPORTATION

The importance of motor trucks to agriculture was emphasized again on February 16 by Office of Defense Transportation Release No. 479, which stressed the fact that motor trucks moved 98 percent of the huge 1943 crop at some stage of the journey from farm to market, although fewer vehicles were available for farm transportation than in 1942. At the same time the O.D.T. announced that the War Production Board had granted its entire request for 137,000 tons of carbon steel for automotive replacement parts during the second quarter of 1944. This was an increase of 47 percent over the 93,000 tons granted for the first quarter of 1944. While this allotment was expected to improve the general parts' situation materially during the next few months, production difficulties on critical engine, transmission, and axle parts were still being encountered.

Passenger type tires have been placed under new rationing procedure to conserve dwindling stocks of new tires. Amendment 67 to Office of Price Administration Rationing Order I-A, effective February 1, allows only certain classes of preferred passenger car operators to get new tires, regardless of mileage. Farmers transporting products and supplies to and from regular market outlets and vehicles carrying farm workers have preferred status. Vehicles using passenger tires which carry goods direct to final consumers, even on established routes, are eligible only for grade III tires (made of reclaimed rubber or recapped) on a basis of non-preferred B book mileage. It is anticipated that the new tire quotas will not supply all occupational drivers. Only highly essential drivers will get grade I tires, and some eligibles for grade III tires may not be supplied. Vehicle conservation is being expedited, particularly in the daily pick-up of milk from farms, since only a very limited number of new trucks will be available for farmers in the near future.

With material requirements for local transport, motor transport, and waterways met almost in entirety, emphasis shifts to the conversion of those

materials into finished products. There is some concern lest orders for new freight cars placed by railroads up to February 16 fall short of potential productive capacity during and subsequent to the third quarter of 1944. Unless carriers expedite additional orders, available materials and plant capacity may not be utilized fully. The W.P.B. took maximum freight car production capacity into consideration when it granted materials for 18,500 of the 25,000 freight cars requested by the O.D.T. for the third quarter of 1944.

About 1,500,000 tons of carbon steel were allotted for domestic transportation in the first quarter of 1944; 1,812,000 tons -- 94.5 percent of the requested amount -- were allotted, with proportional amounts of alloy steel, copper, and aluminum, for the second quarter. This is the largest quantity of carbon steel made available by the W.P.B. since the O.D.T. becamse claimant agency for the domestic transportation under the controlled materials plan early in 1943. For the first time since then, railroads will be allotted the full quantity of rails requested -- 550,000 tons in the second quarter of 1944. Some 291,500 tons of track accessories were also authorized, with some arrangement looking toward allowances for frogs, switches, etc., for track work.

The Refrigerator Car Section, Association of American Railroads, reports weekly on the refrigerator car situation. The situation has been generally tight since early in November owing to the difficulties of the railway labor supply and the unusual volume of the winter perishable traffic plus the usual long hauls of the season. Every winter the railroads are called on to supply refrigerator cars simultaneously to the four corners of the country, Maine, Florida, California and Washington, without more than unavoidable neglect of the demands of in-between areas such as lower Texas, shipping early vegetables, and Colorado, Idaho and the Red River Valley, shipping late potatoes. This winter mid-western packers have added to the in-between demands, drawing on the supply of railroad-owned-or-controlled refrigerator cars to make up for the lack of packer-owned equipment.

FARM - RETAIL PRICE SPREADS, JANUARY 1944

Only minor changes in prices and marketing margins for farm food products during last six months:

The retail cost to consumers, payment to farmers for equivalent produce, marketing margin, and farmer's share of the retail food dollar for January 1944 were all the same as in August 1943; none of the series has shown any marked variation during intervening months. These values are calculated for a food basket representing annual purchases of important farm products by a typical workingman's family.

Farmer's share of retail food dollar drops to 58 cents in January:

The marketing margin for the family food basket (spread between retail cost and payment to farmers) rose $3 from $182 in December 1943 to $185 in January 1944, while the farmer's share of the retail food dollar dropped from the recent record high of 59 cents in December to 58 cents in January.

Retail cost of the food basket in January was $440, unchanged for the fourth consecutive month, and the same as the cost in August 1943. Payments to farmers for equivalent produce of $255 in January showed a decline of over 1 percent from $258 in December.

In addition to the marketing margin or spread between price and equivalent payment to farmers, marketing agencies have been receiving Government marketing payments on specified products. For January 1944, it is estimated that the Government marketing payments on the quantities of products included in the family food basket amounted to about $16. Adding this amount to the $185 representing the marketing margin for January indicates that total middlemen food marketing charges amounted to $201 in January 1944, an increase of about $4 or 2 percent over total marketing charges in December 1943.

Comparison of January 1944 with an average of the 5 pre-war years, 1935-39, shows that the retail cost of the food basket has increased 33 percent, from $332 to $440; payments to farmers for equivalent produce 81 percent, from $141 to $255; the marketing margin declined 3 percent, from $191 to $185; and the farmer's share of the retail food dollar rose from 42 cents to 58 cents. Comparison of total marketing charges in January 1944 with the 1935-39 average, after adjustment for processing taxes, shows an increase of $12 or 6 percent from $189 to $201.

Sharp declines in prices of eggs and oranges offset by higher prices of other products:

From December 1943 to January 1944 the retail price of eggs dropped 9.6 cents per dozen while the price at the farm dropped 10.3 cents, and the marketing margin increased by 4 percent from 19.0 cents to 19.7 cents. While the retail price of oranges declined 2.9 cents or 7 percent per dozen, equivalent payments to farmers dropped 3.1 cents or 21 percent. More moderate price declines occurred in lamb, rye bread, macaroni, cornflakes, and peanut butter, offset by higher prices for flour, rice, potatoes, sweetpotatoes, and apples. Increases in the farm-retail marketing margin ranged to a high of 7 percent for white flour, with a number of items showing decreases. In January 1944, the farmer's share of the retail food price was appreciably higher than the 1935-39 average for all farm food products included in the food basket except for oranges which showed no change.

Table 1 .- Annual family purchases of 58 foods 1/

Year and Month	Cost at retail: Dollars	Cost at retail: Percentage of 1935-39 average	Paid to farmers: Dollars	Paid to farmers: Percentage of 1935-39 average	Marketing margin: Dollars	Marketing margin: Percentage of 1935-39 average	Farmer's share of retail value
							Percent
1913-15 average	236	71	135	96	121	63	53
1920	514	155	272	193	242	127	53
1929	415	125	195	138	220	115	47
1935-39 average	332	100	141	100	191	100	42
1941	342	103	164	116	178	93	48
1942	398	120	209	148	189	99	53
1943	447	135	255	181	192	101	57
1943 - Jan.	430	130	241	171	189	99	56
Feb.	432	130	246	174	186	97	57
Mar.	448	135	257	182	191	100	57
Apr.	462	139	261	185	201	105	56
May	475	143	261	185	214	112	55
June	470	142	260	184	210	110	55
July	451	136	255	181	196	103	57
Aug.	440	133	255	181	185	97	58
Sept.	438	132	255	181	183	96	58
Oct.	440	133	256	182	184	96	58
Nov.	440	133	256	182	184	96	58
Dec.	440	133	258	183	182	95	59
1944 - Jan.	440	133	2/255	181	2/185	97	58

1/ Important food products produced by American farmers combined in quantities representing annual pruchases by a typical workingman's family. Retail price average for 56 cities from U. S. Bureau of Labor Statistics. 2/ Preliminary

Table 2 .- Food cost and expenditures compared with total income per person, United States average 1/

Year and month	Total income	Total expenditures for consumer goods & services	Food expenditures: Actual	Food expenditures: As percentage of: Total income	Food expenditures: As percentage of: Total expenditures for goods and services	Cost to consumer of fixed quantities of foods representing average annual consumption per person, 1935-39: Actual	Cost: As percentage of: Total income	Cost: As percentage of: Total expenditures for goods & services
	Dolls.	Dolls.	Dolls.	Pct.	Pct.	Dolls.	Pct.	Pct.
1935-39 average	520	456	113	22	25	113	22	25
1941	692	560	140	20	25	120	17	21
1942	857	612	176	21	29	143	17	23
			Annual rates by months, seasonally adjusted					
1943 - Jan.	973	660	196	20	30	155	16	23
July	1,048	709	217	21	31	164	16	23
Oct.	1,069	2/705	2/219	20	31	2/164	15	23
Nov.	2/1,086	701	210	19	30	2/164	15	23
Dec.	3/1,101	3/699	218	20	31	3/164	15	23

1/ See notes in original table p.3, Apr-May issue. 2/ Revised 3/ Preliminary

Table 3 .- Price spreads between the farmer and the consumer - food products January 1944

Retail commodity	Table No. 1/	Retail: Unit	Retail: Price	Farm equivalent: Quantity	Farm equivalent: Value	Actual Margin	Farm value as percentage of retail price
			Cents		Cents	Cents	Percent
Pork products	11	1 lb. prin. pork products	28.9	1.90 lb. live hog	24.3	4.6	84
Dairy products	12	100 lb. milk equivalent	426.0	100 lb. milk equivalent	2/265.8	2/160.2	62
Hens..........	13	1 lb.	44.9	1.11 lb.	26.5	18.4	59
Eggs..........	14	1 doz.	54.3	1 doz.	34.6	19.7	64
White flour...	15	1 lb.	6.5	1.41 lb. wheat	3.4	3.1	52
White bread...	16	1 lb.	8.8	.97 lb. wheat	2.4	6.4	27
Corn meal.....	17	1 lb.	5.9	1.5 lb. corn	3.0	2.9	51
Rolled oats...	18	1 lb.	8.7	1.78 lb. oats	4.3	4.4	49
Corn flakes...	19	8-oz. pkg.	6.5	1.275 lb. corn	2.6	3.9	40
Wheat cereal..	20	28-oz. pkg.	23.3	2.065 lb. wheat	5.0	18.3	21
Rice..........	21	1 lb.	12.8	1.51 lb. rough rice	6.3	6.5	49
Navy beans....	22	1 lb.	10.5	1 lb. dry beans	6.1	4.4	58
Oranges.......	24	1 doz.	40.5	1/17 box	12.0	28.5	30
Potatoes......	25	1 lb.	4.3	1 lb.	2.4	1.9	56
Apples........	35	1 lb.	10.8	1 lb.	5.7	5.1	53
Lamb products	37	1 lb. prin. lamb cuts	35.6	2.16 lb. live lamb	27.0	8.6	76
Sweetpotatoes	38	1 lb.	10.6	1 lb.	3.7	6.9	35
Rye bread.....	39	1 lb.	9.5	.39 lb. rye & .64 lb. wheat	2.3	7.2	24
Whole wh. bread	40	1 lb.	10.2	.92 lb. wheat	2.2	8.0	22
Macaroni......	41	1 lb.	15.5	1.72 lb. durum wh.	4.1	11.4	26
Soda crackers	42	1 lb.	18.7	1.085 lb. wheat	2.6	16.1	14
Peanut butter	44	1 lb.	28.9	1.73 lb. peanuts	12.4	16.5	43
58 foods combined	8	Annual family consumption	$440	Annual family consumption	2/$255	2/$185	58

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer."
2/ Preliminary.
Retail prices from the United States Bureau of Labor Statistics.

Table 4 - Price spreads between the farmer and the consumer, - food products, retail price and farm value, January 1944

Commodity	Retail unit	Retail price: 1935-39 average	Retail price: Jan. 1943	Retail price: Dec. 1943	Retail price: Jan. 1944	Percentage change to Jan. 1944 from Jan. 1943	Percentage change to Jan. 1944 from Dec. 1943	Farm equivalent	Farm value: 1935-39 average	Farm value: Jan. 1943	Farm value: Dec. 1943	Farm value: Jan. 1944	Percentage change to Jan. 1944 from Jan. 1943	Percentage change to Jan. 1944 from Dec. 1943
		Cents	Cents	Cents	Cents	Percent	Percent		Cents	Cents	Cents	Cents	Percent	Percent
Pork products	1 lb. prin. pork products	25.3	31.1	28.9	28.9	- 7	0	1.90 lb. live hogs	15.7	26.7	24.3	24.3	- 9	0
Dairy products	100 lb. milk equiv.	324.0	433.8	425.9	426.0	- 2	1/	100 lb. milk equiv.	146.0	249.1	2/267.6	3/265.8	+ 7	- 1
Hens	1 lb.	31.7	44.4	44.7	44.9	+ 1	1/	1.11 lb.	16.5	24.5	27.1	26.5	+ 8	- 2
Eggs	1 doz.	36.0	59.0	63.9	54.3	- 8	- 15	1 doz.	21.7	39.0	44.9	34.6	- 11	- 23
White flour	1 lb.	4.5	5.7	6.3	6.5	+ 14	+ 3	1.41 lb. wheat	2.0	2.8	3.4	3.4	+ 21	0
White bread	1 lb.	8.2	8.7	8.8	8.8	+ 1	0	0.97 lb. wheat	1.3	1.9	2.3	2.4	+ 26	+ 4
Corn meal	1 lb.	5.0	5.1	5.9	5.9	+ 16	0	1.5 lb. corn	1.8	2.4	3.0	3.0	+ 25	0
Rolled oats	1 lb.	7.4	8.8	8.7	8.7	- 1	0	1.78 lb. oats	1.9	2.9	4.3	4.3	+ 48	0
Corn flakes	8-oz. pkg.	7.8	7.0	6.6	6.5	- 7	- 2	1.275 lb. corn	1.6	2.0	2.5	2.6	+ 30	+ 4
Wheat cereal	28-oz. pkg.	24.3	24.0	23.3	23.3	- 3	0	2.065 lb. wheat	2.9	4.0	4.9	5.0	+ 25	+ 2
Rice	1 lb.	8.2	12.7	12.7	12.8	+ 1	+ 1	1.51 lb. rough rice	2.5	5.8	6.1	6.3	+ 9	+ 3
Navy beans	1 lb.	6.9	9.6	10.5	10.5	+ 9	0	1 lb. dry beans	3.5	5.2	6.1	6.1	+ 17	0
Oranges	1 doz.	31.5	38.1	43.4	40.5	+ 6	- 7	1/17 box	9.3	8.9	15.1	12.0	+ 35	- 21
Potatoes	1 lb.	2.5	3.6	4.2	4.3	+ 19	+ 2	1 lb.	1.2	2.0	2.3	2.4	+ 20	+ 4
Apples	1 lb.	5.5	7.6	10.5	10.8	+ 42	+ 3	1 lb.	1.9	3.3	5.5	5.7	+ 73	+ 4
Lamb products	1 lb. prin. lamb cuts	27.2	36.2	35.9	35.6	- 2	- 1	2.16 lb. live lamb	16.2	28.2	26.1	27.0	- 4	+ 3
Sweetpotatoes	1 lb.	4.4	6.4	10.0	10.6	+ 66	+ 6	1 lb.	1.5	2.2	3.4	3.7	+ 68	+ 9
Rye bread	1 lb.	9.1	9.2	9.6	9.5	+ 3	- 1	0.39 lb. rye & 0.64 lb. wheat	1.3	1.7	2.3	2.3	+ 35	0
Whole wheat bread	1 lb.	9.3	10.1	10.2	10.2	+ 1	0	0.92 lb. wheat	1.3	1.8	2.2	2.2	+ 22	0
Macaroni	1 lb.	15.0	14.2	15.6	15.5	+ 9	- 1	1.72 lb. durum wheat	2.3	3.2	4.0	4.1	+ 28	+ 2
Soda crackers	1 lb.	16.9	17.5	18.7	18.7	+ 7	0	1.085 lb. wheat	1.5	2.1	2.6	2.6	+ 24	0
Peanut butter	1 lb.	19.3	31.2	29.6	28.9	- 7	- 2	1.73 lb. peanuts	6.1	10.8	12.3	12.4	+ 15	+ 1
58 foods combined	Annual family consumption	$332	$430	$440	$440	+ 2	0	Annual family consumption	$141	$241	$258	3/$255	+ 6	- 1

Retail prices are 56-city averages as published by the United States Bureau of Labor Statistics - Farm values are calculated from U. S. average farm price.

1/ Less than 0.5 percent 2/ Revised 3/ Preliminary

Table 5 .- Price spreads between the farmer and the consumer -- food products, margins, and farm value as percentage of retail price, January 1944

Commodity	Retail unit	Margin 1935-39 average	Margin Jan. 1943	Margin Dec. 1943	Margin Jan. 1944	Percentage change to Jan. 1944 from: Jan. 1943	Percentage change to Jan. 1944 from: Dec. 1943	Farm value as percentage of retail price 1935-39 average	Farm value Jan. 1943	Farm value Dec. 1943	Farm value Jan. 1944
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Pork products	1 lb. prin. pork products	9.6	4.4	4.6	4.6	+ 5	0	62	86	84	84
Dairy products	100 lb. milk equiv.	178.0	184.7	2/158.3	1/160.2	- 14	+ 1	45	57	63	63
Hens	1 lb.	15.2	19.9	17.6	18.4	- 8	+ 5	52	55	61	59
Eggs	1 doz.	14.3	20.0	19.0	19.7	- 2	+ 4	60	66	70	64
White flour	1 lb.	2.5	2.9	2.9	3.1	+ 7	+ 7	44	49	54	52
White bread	1 lb.	6.9	6.8	6.5	6.4	- 6	- 2	16	22	26	27
Corn meal	1 lb.	3.2	2.7	2.9	2.9	+ 7	0	36	47	51	51
Rolled oats	1 lb.	5.5	5.9	4.4	4.4	- 25	0	26	33	49	49
Corn flakes	8-oz. pkg.	6.2	5.0	4.1	3.9	- 22	- 5	21	29	38	40
Wheat cereal	28-oz. pkg.	21.4	20.0	18.4	18.3	- 8	- 1	12	17	21	21
Rice	1 lb.	5.7	6.9	6.6	6.5	- 6	- 2	30	46	48	49
Navy beans	1 lb.	3.4	4.4	4.4	4.4	0	0	51	54	58	58
Oranges	1 lb.	22.2	29.2	28.3	28.5	- 2	+ 1	30	23	35	30
Potatoes	1 lb.	1.3	1.6	1.9	1.9	+ 19	0	48	56	55	56
Apples	1 lb.	3.6	4.3	5.0	5.1	+ 19	+ 2	35	43	52	53
Lamb products	1 lb. prin. lamb cuts	11.0	8.0	9.8	8.6	+ 8	- 12	60	78	73	76
Sweetpotatoes	1 lb.	2.9	4.2	6.6	6.9	+ 64	+ 5	34	34	34	35
Rye bread	1 lb.	7.8	7.5	7.3	7.2	- 4	- 1	14	18	24	24
Whole wheat bread	1 lb.	8.0	8.3	8.0	8.0	- 4	0	14	18	22	22
Macaroni	1 lb.	12.7	11.0	11.6	11.4	+ 4	- 2	15	23	26	26
Soda crackers	1 lb.	15.4	15.4	16.1	16.1	+ 5	0	9	12	14	14
Peanut butter	1 lb.	13.2	20.4	17.3	16.5	- 19	- 5	32	35	42	43
58 foods combined	Annual family consumption	$191	$189	$182	1/$185	- 3	+ 1	42	56	59	58

1/ Preliminary. 2/ Revised.

Table 6 .- Farm products: Indexes of prices at several levels of marketing, 1935-39 = 100

Year and month	Cost of living of city families 1/	Foods: Retail prices of all foods 1/	Foods: Wholesale prices 2/	Foods: Farm prices of 58 foods 3/	Fibre: Retail prices of clothing 1/	Fibre: Wholesale prices of textile products 2/	Fibre: Farm prices of cotton and wool 4/	Wholesale prices of all farm products 2/	Farm prices of all products 3/	Prices paid farmers 3/
1913	71	80	81	95	69	81	111	94	95	81
1914	72	82	82	97	70	77	97	94	95	80
1916	78	91	96	110	78	99	131	111	111	100
1918	108	134	151	174	128	193	281	195	190	141
1920	143	169	174	193	201	232	282	198	199	162
1929	122	132	126	138	115	127	167	138	137	123
1932	98	86	77	62	91	77	55	63	61	86
1935	98	100	106	98	97	100	109	104	102	100
1936	99	101	104	108	98	101	114	106	107	100
1937	103	105	108	113	103	107	111	114	114	105
1938	101	98	93	92	102	94	81	90	89	98
1939	99	95	89	89	100	98	85	86	88	97
1940	100	97	90	94	102	104	97	89	92	99
1941	105	105	105	116	106	119	131	108	115	105
1942	116	124	126	148	124	136	178	139	148	122
1943	124	138	135	181	130	137	190	162	177	132
1939 - Aug.	-	94	85	85	-	96	85	80	83	96
Sept.	101	98	95	95	100	101	91	90	92	98
1943 - Jan.	121	133	133	170	126	137	189	154	174	127
Feb.	121	134	134	174	126	137	188	157	171	129
Mar.	123	137	136	182	128	137	191	162	173	129
Apr.	124	141	137	185	128	137	192	163	175	130
May	125	143	140	185	128	137	192	165	176	131
June	125	142	139	184	128	137	192	166	179	132
July	124	139	136	181	129	137	189	165	174	133
Aug.	123	137	134	181	129	137	190	163	179	133
Sept.	124	137	133	181	132	137	193	162	179	133
Oct.	124	138	133	182	133	137	193	161	180	133
Nov.	124	137	134	182	134	138	186	160	181	134
Dec.	124	137	134	183	135	138	190	160	185	135
1944 - Jan.	124	136	133	181	134	138	192	160	186	136

1/ From "Changes in Cost of Living" Bureau of Labor Statistics.
2/ Calculated from figures of the Bureau of Labor Statistics.
3/ Based on figures published by the United States Department of Agriculture.
4/ Cotton and wool prices weighted by production in the period 1935-39.

Table 7. - Indexes of consumer income and of hourly earnings in marketing, 1935-39 = 100

Year and month	Nonagricultural income payments 1/	Monthly earnings per employed factory worker 2/	Hourly earnings in marketing enterprises: Class I steam railways 3/	Food processing 4/	Food marketing 5/	Cotton processing 4/
1929	122	118	93	-	-	-
1935-39 average	100	100	100	100	100	100
1940	115	111	105	110	105	106
1941	137	132	106	116	110	119
1942	169	166	119	128	120	139
1942 - Dec.. .	188	183	120	133	122	149
1943 - Jan.. .	192	184	120	134	126	150
Feb.. .	195	187	123	135	127	150
Mar.. .	197	190	119	136	127	151
Apr.. .	200	193	120	136	128	151
May . .	202	196	120	139	129	152
June. .	205	196	119	140	130	152
July. .	208	194	119	140	130	152
Aug.. .	209	197	120	140	131	151
Sept. .	211	201	121	140	132	154
Oct.. .	213	204	121	142	133	153
Nov.. .	6/ 216	6/ 205	123	145	134	153
Dec.. .	7/ 219	7/ 202	-	-	-	-

1/ United States Department of Commerce estimates. Adjusted for seasonal variation. Revised series. 2/ Prepared in the Bureau of Agricultural Economics from data of the United States Bureau of Labor Statistics, adjusted for seasonal variation. 3/ Compiled from data published by the Interstate Commerce Commission. 4/ United States Bureau of Labor Statistics. 5/ Weighted composite of earnings in steam railways, food processing, wholesaling and retailing. 6/ Revised.
7/ Preliminary estimates.

Table 8. - Cottonseed: Farm-to-mill sales price spreads and relative product values

Year beginning Aug. 1	Value of products per ton of seed 1/	Farm price per ton 2/	Actual margin	Farm value as percentage of product value	Percentage of product value attributed to - Crude oil	Cake and meal	Hulls	Linters
	Dolls.	Dolls.	Dolls.	Percent	Percent	Percent	Percent	Percent
1935-39 average	40.21	25.29	14.92	62.9	55.4	29.2	4.6	10.8
1941	65.04	47.65	17.39	73.3	58.2	25.9	3.0	12.9
1942	66.24	45.60	20.64	68.8	59.7	24.5	3.2	12.6
1943 3/Sept. .	71.21	50.60	20.61	71.1	55.5	29.2	3.5	11.8
Oct.. .	71.21	51.78	19.43	72.7	55.5	29.2	3.5	11.8
Nov.. .	71.21	52.18	19.04	73.3	55.5	29.2	3.5	11.8
Dec.. .	71.21	52.24	18.97	73.4	55.5	29.2	3.5	11.8
1944 Jan. 3/	71.21	52.33	18.88	73.5	55.5	29.2	3.5	11.8

1/ Mill product values on the basis of values reported for each season by the U.S. Bureau of the Census; interpolated and extrapolated by monthly wholesale market prices of the products. 2/ The monthly farm price is a weighted average of monthly prices received by farmers including several earlier months of farm sale to represent actual payment to farmers for seed crushed each month.
3/ Preliminary.

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